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TITLE 6—AGRICULTURAL CREDIT

Chapter I—Farm Credit Administration, Department of Agriculture

Subchapter E—Production Credit System

[FCA Order 592]

PART 50—RULES AND REGULATIONS FOR PRODUCTION CREDIT ASSOCIATIONS

ELIGIBILITY

Subparagraphs (1) and (2) of § 50.2 (d) of the Rules and Regulations for Production Credit Associations are hereby amended to read as follows:

(1) A loan to a director of the corporation or to an officer (as distinguished from an employee) of the Farm Credit Administration of Washington, D. C., other than a member of the Federal Farm Credit Board, shall be subject to prior approval by the board of directors of the corporation and by the Director of Production Credit Service.

(2) A loan to an officer, employee, or agent of the corporation or to a member of the Federal Farm Credit Board shall be subject to prior approval by the board of directors of the corporation.

(Sec. 23, 48 Stat. 261, 12 U. S. C. 1131g)

[SEAL] CARL COLVIN,
Acting Governor.

[F. R. Doc. 54-1071; Filed, Feb. 15, 1954; 8:47 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—Office of Defense Mobilization

[Defense Mobilization Order I-8]

DMO-I-8—ASSIGNMENT OF DEFENSE MOBILIZATION RESPONSIBILITIES TO THE DEPARTMENT OF COMMERCE

By virtue of the authority vested in me pursuant to the National Security Act of 1947, as amended; Reorganization Plan No. 3, effective June 12, 1953; the Defense Production Act of 1950, as amended; Executive Order 10480 of August 15, 1953; the Strategic and Critical Materials Stock Piling Act of 1946, as amended; and in order to facilitate the coordination of Federal policies and programs for current defense activities and readiness for any future mobilization, it is hereby ordered:

1. The Secretary of Commerce will be responsible for the development and administration of preparedness measures relating to those industries assigned to him by Executive Order 10480 and Defense Mobilization Orders I-7 and VII-5. Such preparedness measures should be undertaken within a work program which is consistent with the defense mobilization assumptions and objectives for the Government as a whole. To assure such consistency, the work program will be submitted to the Director of the Office of Defense Mobilization for review.

2. The measures for which the Secretary of Commerce is responsible are as follows:

a. Current administration of the priorities and allocations program under Title I of the Defense Production Act.

b. Development and maintenance of a simplified production control system including the necessary supporting orders and regulations for use in event of stepped-up or all-out mobilization; cooperation with the Office of Defense Mobilization and other appropriate agencies in planning other distribution controls related to those under his jurisdiction.

c. Development of estimates of defense-supporting and civilian requirements and of the materials and facilities needed to supply those requirements under conditions of a stepped-up or all-out mobilization; and the preparation of detailed studies and analyses of potential mobilization deficiencies for such items together with the problems involved in meeting them.

d. Analyses of the problems involved in maintaining an adequate mobilization base in defense-supporting industries and recommendations regarding necessary programs.

e. Current activities relating to the expansion of productive capacity and supply; recommendations for the establishment or modification of expansion goals and the programs needed to meet those goals in order to overcome deficiencies in the mobilization base; screening and making recommendations on requests for rapid tax amortization and

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FEDERAL REGISTER

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for loans and procurement contracts under the Defense Production Act and maintaining the records required to measure progress in achieving expansion goals.

f. Provides the Office of Defense Mobilization with estimates of requirements of industrial consumption in connection with the stockpiling of strategic and critical materials. Assists the Office of Defense Mobilization in formulating plans for the stockpiling of strategic and critical materials and, to the extent necessary, in the acquisition of such materials and the expansion of domestic sources of supply.

g. Guidance and leadership to industry in the development of plans and programs to insure continuity of essential production in event of attack; identification and rating of facilities, including materials, products, processes and services, based on the relative importance thereof to military and defense-supporting production and the essential civilian economy.

h. Guidance to local dispersion committees; and the review and approval of local dispersion programs.

i. Development and maintenance of plans to insure the continuity of the essential functions of the Department in event of attack on the United States.

3. The work program to be undertaken by the Department of Commerce shall indicate the priority and scope of the work to be carried on in each of the areas enumerated above and the industries to be covered. Periodic reports of progress shall be submitted as requested.

4. This order is not intended to affect any delegation of authority heretofore

conferred upon the Secretary of Commerce.

OFFICE OF DEFENSE MOBILIZATION,
ARTHUR S. FLEMMING,
Director.

[F. R. Doc. 54-1062; Filed, Feb. 15, 1954; 8:45 a. m.]

TITLE 7—AGRICULTURE

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas), Department of Agriculture

PART 722—COTTON

AMENDMENT 1 TO PROCLAMATION OF NATIONAL ACREAGE ALLOTMENT FOR THE 1954 CROP OF UPLAND COTTON AND AMENDMENT 3 TO MARKETING QUOTA REGULATIONS RELATING TO THE 1954 CROP OF UPLAND COTTON

Correction

In F. R. Doc. 54-969, appearing in the issue for Wednesday, February 10, 1954, at page 761, make the following change: In amendatory paragraph d on page 764, the word "or" in line 7 should read "of".

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Orange Reg. 251]

PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.668 *Orange Regulation 251*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of all oranges, except Temple oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than February 17, 1954. Shipments of all oranges, except Temple oranges, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, and, unless sooner terminated, will so continue until February 22; the recommendation and supporting information for continued regulation subsequent to February 16, 1954, and in the manner herein provided, was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on February 9; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of all oranges, except Temple oranges; and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Orange Regulation 249 (7 CFR 933.663; 19 F. R. 530), is hereby terminated at 12:01 a. m., e. s. t., February 17, 1954.

(2) During the period beginning at 12:01 a. m., e. s. t., February 17, 1954, and ending at 12:01 a. m., e. s. t., March 1, 1954, no handler shall ship:

(i) Any oranges, except Temple oranges, grown in the State of Florida, which do not grade at least U. S. No. 1 Russet; or

(ii) Any oranges, except Temple oranges, grown in the State of Florida, which are of a size smaller than a size that will pack 288 oranges, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(3) As used in this section, the terms "handler," "ship," and "Growers Administrative Committee" shall each have the same meaning as when used in said amended marketing agreement and order; and the terms "U. S. No. 1 Russet," "standard pack," and "standard nailed box," shall have the same meaning as when used in the revised United States Standards for Florida Oranges (7 CFR 51.1140-1186).

Shipments of Temple oranges, grown in the State of Florida, are subject to the provisions of Orange Regulation 244 (7 CFR 933.647; 18 F. R. 7380).

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Done at Washington, D. C., this 12th day of February 1954.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 54-1102; Filed, Feb. 15, 1954; 8:49 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter XIV—The Renegotiation Board

Subchapter B—The Renegotiation Board Regulations Under the 1951 Act

PART 1460—PRINCIPLES AND FACTORS IN DETERMINING EXCESSIVE PROFITS

MINIMUM REFUND

This part is amended by deleting § 1460.5 in its entirety and inserting in lieu thereof the following:

§ 1460.5 *Minimum refund.* Except as hereinafter provided, and in the absence of unusual circumstances, no determination of excessive profits shall be made if such excessive profits before adjustment for State taxes measured by income amount to less than $10,000 with respect to any fiscal year ended on or before December 31, 1951, or less than $20,000 with respect to any fiscal year ended after December 31, 1951. If a determination of excessive profits would be made at or in excess of the applicable minimum amount but for the limitation set forth in section 105 (f) (1) of the act and § 1458.3 (a) of this subchapter, the determination will be made in accordance with such limitation even though the amount of the determination is less than the minimum prescribed by this section. For example, if renegotiable receipts or accruals are $258,000, and excessive profits would be determined as $20,000 but for the statutory limitation that the excessive profits to be eliminated in such case shall not exceed $8,000 (the difference between $258,000 and $250,000) a determination in the amount of $8,000 will be made. In the renegotiation of an affiliated or related group, whether or not consolidated, determinations of excessive profits with respect to individual members of the group may be made in amounts less than the applicable mimimum specified in this section: *Provided*, That the aggregate of the determinations for all members of the group equals or exceeds such applicable minimum. If the fiscal year is a fractional part of twelve months, the applicable minimum specified in this section shall be reduced to the same fractional part thereof. The provisions of this section shall not apply to subcontracts under section 103 (g) (3) of the act.

Dated: February 10, 1954.

(Sec. 109, 65 Stat. 22; 50 U. S. C. App. Sup. 1219)

GEORGE C. MCCONNAUGHEY,
Chairman.

[F. R. Doc. 54-1069; Filed, Feb. 15, 1954; 8:47 a. m.]

TITLE 45—PUBLIC WELFARE

Subtitle A—Department of Health, Education, and Welfare, General Administration

PART 13—ALLOCATION AND UTILIZATION OF SURPLUS PERSONAL PROPERTY FOR EDUCATIONAL PURPOSES AND PUBLIC HEALTH PURPOSES

Sec.
13.1 Definitions.
13.2 Basic policy.

Sec.
13.3 Geographic scope.
13.4 Allocation of donable property.
13.5 Donations of personal property.
13.6 Terms and conditions of donations or transfers.

AUTHORITY: §§ 13.1 to 13.6 issued under sec. 203, 63 Stat. 385, as amended, 40 U. S. C. 484. Sec. 5, Reorg. Plan No. 1 of 1953, 18 F. R. 2053, 5 U. S. C. 133z note.

§ 13.1 *Definitions.* (a) Terms defined in the act and not defined in this section, shall have in this part the meaning given to them in the act.

(b) "Accredited" means approval by a recognized accreditation board or association of Regional, State or National level such as a State Board of Education or Health, State University, National Association of Universities and Colleges, American Hospital Association, etc. A college may be said to be accredited if its credits are accepted for transfer purposes by other colleges or universities not connected or associated with it.

(c) "Act" means the Federal Property and Administrative Services Act of 1949 (63 Stat. 377; 40 U. S. C. 471 et seq.) as amended.

(d) "Approved" means the recognition or approval by the State Department of Education, State Department of Health, or other appropriate authority in charge of health or education activities in the State.

(e) "Clinic" means an approved facility organized and operated for the primary purpose of providing out-patient health services and includes the customary related facilities such as laboratories, treatment rooms, etc.

(f) "College" means an approved or accredited institution of higher learning offering organized study courses and credits leading to the baccalaureate or higher degrees.

(g) "Department" means the Department of Health, Education, and Welfare.

(h) "Donable property" means such equipment, materials, books and other personal property as may be available for donation or have been donated or transferred pursuant to the provisions of section 203 (j) of the act and implementing regulations.

(i) "Donee" means an eligible applicant who is a recipient of donable property.

(j) "Educational institution" means an approved or accredited tax-supported or non-profit school system, school, college or university.

(k) "Eligible applicant" means an approved or accredited tax-supported or non-profit medical institution, hospital, clinic, health center, school system, school, college, or university.

(l) "Health Center" means an approved facility utilized by a health unit for the provision of public health services, including related facilities such as laboratories and clinics.

(m) "Hospital" means an approved or accredited institution providing health services primarily for in-patient medical or surgical care of the sick or injured and includes related facilities such as laboratories, out-patient departments, training facilities, central service facilities, and staff offices which are an "integral part" of the hospital. For the purpose of this part, the term "hospital" does not include institutions whose primary purpose is the furnishing of domiciliary care.

(n) "Medical institution" means an approved or accredited institution, facility, entity or organization which has for its primary function the provision of medical services, or the promotion of health through the conduct of research, investigations, experiments, training and demonstrations, relating to causes, prevention, and methods of diagnosis and treatment of diseases or injuries; the term includes hospitals, clinics, research and health centers, laboratories, medical, dental, and nursing schools and the like, but does not include those primarily engaged in domiciliary care.

(o) "Need" means the lack or inadequacy of anything desired or useful by eligible applicants in conduct of educational or public health activities.

(p) "Net proceeds" means the revenues realized by authorized disposal of donated personal property less (1) the certified expenses of the recipient in initially acquiring the property, and (2) the authorized costs of disposal.

(q) "Non-profit" used in connection with a medical institution, hospital, clinic, health center, or school, school system, college or university means one which is operated by one or more non-profit corporations or associations, no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual, and which has been held by the Internal Revenue Service to be tax-exempt under the provisions of section 101 (6) of the Internal Revenue Code.

(r) "Personal property" means surplus property of any kind or any interest therein, except: Real property, aircraft which are donable under other current procedures, records of the Federal Government and naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers and submarine; and merchant vessels of 1,500 gross tons or more subject to disposal by the U. S. Maritime Commission.

(s) "School" means an approved or accredited organizational entity devoted primarily to approved academic, vocational, or professional study and instruction, which operates primarily for educational purposes on a full-time basis for the minimum school year required for approval by the State Department of Education and employs a full-time staff of qualified instructors.

(t) "Secretary" means the Secretary or duly authorized delegatee.

(u) "School system" means a group of approved or accredited schools operated under one administrative organization.

(v) "State Agency" means that State Department of Health or Education or such other State agency designated by State law or executive order to accept and distribute donable property to eligible applicants within the State as authorized by section 203 (j) of the act.

(w) "State" means a state of the United States, Alaska, Hawaii, District of Columbia, Puerto Rico, and the Virgin Islands.

(x) "Tax-supported" as used in connection with a medical institution, hospital, clinic, health center, school system, college, or university means one which receives a major portion of its financial support from moneys derived from State or local government revenues.

(y) "University" means an approved or accredited school for instruction and study in the higher branches of learning and which is empowered to confer degrees in special departments or colleges.

§ 13.2 *Basic policy.* It is the policy of the Department to strengthen and encourage the development and expansion of educational and public health programs by the equitable allocation of donable property and the assuring thereafter of its maximum utilization for these purposes only.

§ 13.3 *Georgraphic scope.* This part is applicable to donable personal property located, needed and usable within continental United States, Alaska, District of Columbia, Hawaii, Puerto Rico, and the Virgin Islands.

§ 13.4 *Allocation of donable property.* Allocations of donable property will be made on the basis of need and usability of the property. The following factors will be taken into consideration in effecting equitable allocation of property:

(a) States in greatest need for the type of property to be allocated;

(b) Extraordinary health and educational needs occasioned by emergencies such as fire, floods and other disasters, defense training, and the like;

(c) Location, condition, and transportability of property;

(d) Ability of the eligible applicant or State Agency to meet transportation requirements for accepting the property;

(e) Availability of funds to the eligible applicant or State Agency to accept, pickup and transport the property and in case of a State Agency to warehouse, distribute, care for and handle the property if necessary;

(f) The amount of property of a given type already available to an eligible applicant or State Agency, as the case may be, as compared to the needs of other eligible applicants.

§ 13.5 *Donations of personal property.* (a) Donations of personal property are made by or pursuant to delegations from the Administrator of General Services upon certification by the Department that the property applied for is usable and necessary for educational or public health purposes, including research, and upon a finding that the applicant is eligible to receive such property under the act and regulations issued pursuant thereto.

(b) Donable property will be made available to State Agencies for distribution to eligible applicants except that in states where no State Agency exists, property will be made available directly to eligible applicants or to State Departments of Education or Health for distribution to eligible applicants. Applications for donable property shall be made only on the application form "Application for Surplus Property—Federal Property and Administrative Services Act of 1949, as amended," Form HEW 135

(formerly Form FS–135 Budget Bureau No. 85 R004.1). Sample copies of such application form may be obtained from the Office of the Secretary, Department of Health, Education, and Welfare, Washington 25, D. C., or from any Regional Office of the Department. State Agencies shall promptly distribute donable property to eligible applicants in accordance with the criteria and provisions established in this part and shall require the authorized representative of each such applicant to sign a Form HEW 135 or a warehouse issue sheet or other State Agency document or form containing the equivalent certifications and the same terms and conditions as are set forth in the Form HEW 135.

(c) Retransfers of donable property by donees or State Agencies to other donees or eligible applicants will be made upon the same terms and conditions as are set forth in § 13.6.

§ 13.6 *Terms and conditions of donations or transfers.* (a) All right, title and interest in donable property, except the right to possession, shall remain in the United States until the eligible applicant has executed the application and certifications provided for in § 13.5 (b). State Agencies shall not acquire any title to donable property except where State licensing laws require that title pass in order that State licensing or registration of the property may be effected.

(b) Property acquired by a donee pursuant to this part shall be on a "as is," "where is" basis without warranty of any kind.

(c) The period of restriction has been determined to expire after the property has been used for health or educational purposes for a period of four (4) years.

(d) Property acquired by a donee pursuant to this part will be used only for educational purposes or public health purposes, including research, and for no other purpose and will be placed in use no later than twelve months after acquisition thereof.

(e) The donee, during the period of restriction, will not sell, trade, lease, or otherwise dispose of or encumber this property or remove it for use outside the State without prior approval of the Department. Any sale, trade, lease or other disposal of said property, when such action is authorized by the Department during the period of restriction, shall be for the benefit and account of the United States of America and the net proceeds of such sale, lease, or other disposal or encumbrance shall be received and held in trust for the United States of America and shall be paid promptly to the United States of America.

(f) In the event the property is sold, traded, leased, or otherwise disposed of or encumbered during the period of restriction without prior approval, the donee at the option of the Department shall be liable for the reasonable value of the property at the time of such sale, trade, lease or other disposal as determined by the Department in lieu of being liable for the net proceeds of the disposal, as set forth in paragraph (e) of this section.

(g) In the event donable property is not placed in use within twelve months of receipt as provided in paragraph (d) of this section, the donee will promptly notify the Department in writing through the appropriate State Agency. Title and the right to the possession of such property not so placed in use within the above-mentioned period shall promptly revert to the United States of America, and upon demand the applicant will release such property to such person as the Department or its designee shall direct.

(h) During the period of restriction, property which is not suitable, usable or no longer needed by the donee for the purposes for which obtained by it will be subject to retransfer by the donee to such other educational or public health user, as may be authorized by the Department or its designee, or, if such property is not desired by other educational or public health applicants, it will be sold upon authorization for the benefit and account of the Government. Net proceeds from such sales will be remitted to the Department, payable to the Treasurer of the United States, except in those instances in which the Department or its designee determines that the Government's administrative costs in connection with receipt thereof will exceed such net proceeds. At the option of the Department, or its designee, the donee will be permitted to pay the fair value as determined by the Department for the property and thereby secure abrogation of the restrictions set forth in paragraphs (c), (d), (e), (f), (g) of this section and this paragraph.

(i) State Agencies and donees will make such reasonable reports on the use, condition, and location of donable property and on other pertinent matters as the Secretary shall from time to time require.

(j) So long as title to donable property remains in the United States, State Agencies and/or donees will be responsible, as a bailee for mutual benefit, for such property from the time the property is released to such State Agency or donee, or their agents, or to a transportation agency designated by such State Agency or donee; and that in the event of any loss of, or damage to, any or all of such property, they will file such claim and/or institute and prosecute to conclusion such proceedings as may be necessary to recover, for the account of the United States of America, the fair value of such property lost or damaged.

(k) The Secretary may also prescribe such other terms and conditions as are deemed necessary or desirable.

Dated: February 10, 1954.

[SEAL] OVETA CULP HOBBY,
Secretary.

[F. R. Doc. 54–1070; Filed, Feb. 15, 1954; 8:47 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[43 CFR Part 201]

OUTER CONTINENTAL SHELF

OIL AND GAS AND SULPHUR LEASES AND OPERATIONS

NOTE: In the notice of proposed regulations appearing at page 790 of the issue for Thursday, February 11, 1954, the following forms (referred to in § 201.24) were inadvertently omitted.

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Cash bonus _____ Office _____
Rental rate _____ Serial No. _____
Minimum royalty rate _____
Royalty rate _____

OIL AND GAS LEASE OF SUBMERGED LANDS UNDER THE OUTER CONTINENTAL SHELF LANDS ACT

This indenture of lease entered into as of _____, 19__, by and between the United States of America, hereinafter called the lessor, by the Director, Bureau of Land Management, and _____

_____

hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the Outer Continental Shelf Lands Act of August 7, 1953 (67 Stat. 462; 30 U. S. C., sec. — et seq.), hereinafter referred to as the act, and to all lawful and reasonable regulations of the Secretary of the Interior (hereinafter referred to as the Secretary) when not inconsistent with any express and specific provisions herein, which are made a part hereof:

WITNESSETH:

SECTION 1. *Rights of lessee.* That the lessor, in consideration of a cash bonus and of the rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove and dispose of all oil and gas deposits except helium gas in or under the following-described area of the outer Continental Shelf (as that term is defined in the act):

_____

containing _____ acres, more or less (hereinafter referred to as the leased area), together with:

(a) The non-exclusive right to conduct within the leased area geological and geophysical explorations which are not unduly harmful to aquatic life;

(b) The right to drill water wells within the leased area and use free of cost, and to dispose of, water produced from such wells; and

(c) The right to construct or erect and to maintain within the leased area all artificial islands, fixed structures, sea walls, docks, dredged channels and spaces, buildings, plants, telegraph or telephone lines and

cables, pipelines, reservoirs, tanks, pumping stations, and other works and structures necessary or convenient to the full enjoyment of the rights granted by this lease, for a period of 5 years and as long thereafter as oil or gas may be produced from the leased area in paying quantities, or drilling or well reworking operations, as approved by the Secretary, are conducted thereon; subject to any unitization or pooling agreement heretofore or hereafter approved by the Secretary which affects the leased area or any part thereof, the provisions of such agreement to govern the leased area or part thereof subject thereto where inconsistent with the terms of this lease.

SEC. 2. *Obligations of lessee.* In consideration of the foregoing, the lessee agrees:

(a) *Bonds.* To maintain at all times the bond required prior to the issuance of this lease and to furnish such additional security as may be required by the lessor if, after operations or production have begun, the lessor deems such additional security to be necessary.

(b) *Cooperative or unit plan.* Within 30 days after demand, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing lands included herein as the Secretary may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) *Wells.* (1) To drill and produce such wells as are necessary to protect the lessor from loss by reason of production on other properties or, in lieu thereof, with the consent of the oil and gas supervisor, to pay a sum determined by the supervisor as adequate to compensate the lessor for failure to drill and produce any such well. In the event that this lease is not being maintained in force by other production of oil or gas in paying quantities or by other approved drilling or reworking operations, such payments shall be considered as the equivalent of production in paying quantities for all purposes of this lease.

(2) After due notice in writing, to drill and produce such other wells as the Secretary may reasonably require in order that the leased area or any part thereof may be properly and timely developed and produced in accordance with good operating practice.

(3) At the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the area, field, or pool in which the leased area or any part thereof is situated, which is authorized or sanctioned by applicable law or by the Secretary.

(d) *Rentals and royalties.* (1) To pay rentals and royalties as follows:

Rentals. To pay the lessor on or before the first day of each lease year commencing prior to a discovery of oil or gas on the leased area, a rental of ------ per acre or fraction thereof.

Minimum royalty. To pay the lessor in lieu of rental at the expiration of each lease year commencing after discovery a minimum royalty of ------ per acre or fraction thereof or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty, if the actual royalty paid is less than the minimum royalty.

Royalty on production. To pay the lessor a royalty of ------ percent in amount or value of production saved, removed, or sold from the leased area. Gas of all kinds (except helium, and gas used for purposes of production from the leased area or unavoidably lost) is subject to royalty.

(2) It is expressly agreed that the Secretary may establish reasonable minimum values for purposes of computing royalty on products obtained from this lease, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, or area, to the price received by the lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which the production is obtained. When paid in production, such royalties shall be delivered at pipeline connections or in tanks provided by the lessee. Such deliveries shall be made at reasonable times and intervals and, at the lessee's option, shall be effected either (i) on or immediately adjacent to the leased area, without cost to the lessor, or (ii) at a more convenient point closer to shore or on shore, in which event the lessee shall be entitled to reimbursement for the reasonable cost of transporting the royalty substance to such delivery point. In no case shall the lessee be required to hold royalty oil or other liquid products in storage beyond the last day of the calendar month next following the month in which produced nor be responsible or held liable for the loss or destruction of royalty oil or other liquid products in storage from causes over which the lessee has no control.

(4) Rentals or minimum royalties may be waived, suspended, or reduced and royalties on the entire leasehold or any deposit, tract, or portion thereof segregated for royalty purposes may be reduced if the Secretary finds that, for the purpose of increasing the ultimate recovery of oil or gas and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Payments.* Unless otherwise provided by regulation or directed by the Secretary, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, and to tender such payments to the oil and gas supervisor, Geological Survey.

(f) *Contracts for disposal of products.* To file with the oil and gas supervisor, Geological Survey, not later than 30 days after the effective date thereof, any contract or evidence of other arrangement for the sale or disposal of lease products. Nothing in any such contract or other arrangements shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the regulations applicable to this lease.

(g) *Statements, plats, and reports.* At such times and in such form as the lessor may prescribe, to furnish detailed statements and reports showing the amounts and quality of all products saved, removed, and sold from the leased area, the proceeds therefrom, and the amount used for production purposes or unavoidably lost; also a plat showing development work and improvements on or with regard to the leased area, and a report with respect to stockholders.

(h) *Inspection.* To keep open at all reasonable times for the inspection of any duly authorized representative of the lessor, the leased area and all wells, improvements, machinery and fixtures thereon and all books, accounts and records relative to operations and surveys or investigations on or with regard to the leased area or under the lease.

(i) *Diligence; prevention of waste, health and safety of workmen.* To exercise reasonable diligence in drilling and producing the wells herein provided for; to carry on all operations in accordance with approved methods and practices as provided in the operating and conservation regulations for the outer Continental Shelf, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells drilled in accordance with the provisions of this lease before abandoning the same; to remove all structures when no longer required for operations under the lease to sufficient depth beneath the surface of the waters to prevent them from being a hazard to navigation; to carry out at expense of the lessee all lawful and reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: *Provided*, That the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

(j) *Wages, freedom of purchase.* To accord all workmen and employees directly engaged in any of the operations under this lease complete freedom of purchase, and to pay all wages due such workmen and employees at least twice each month in the lawful money of the United States.

(k) *Nondiscrimination.* Not to discriminate against any employee, or applicant for employment, because of race, creed, color or national origin, and to require an identical provision to be included in all sub-contracts relating to operations under this lease.

(l) *Assignment of lease.* To file for approval with the Director, Bureau of Land Management, within 90 days from the date of final execution, any instrument of transfer of this lease, or any interest therein, including, without limitation, assignments of record title, working or overriding royalty interests, operating agreements and subleases, such instrument to take effect upon approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing unless at the request of the parties an earlier date is specified in the Director's approval.

(m) *Overriding royalties.* Not to create overriding royalties in excess of those authorized by regulation.

SEC. 3. *Reservations to lessor.* The lessor reserves:

(a) *Geological and geophysical exploration; rights-of-way.* The right to authorize the conduct of geological and geophysical exploration in the leased area which does not interfere with or endanger actual operations under this lease, and the right to grant such easements or rights-of-way, upon, through, or in the leased area as may be necessary or appropriate to the working of other lands containing the deposits described in the act, and to the treatment and shipment of products thereof by or under authority of the United States, its lessees or permittees, and for other public purposes, subject to the provisions of section 5 (c) of the act where they are applicable and to all lawful and reasonable regulations and conditions prescribed by the Secretary thereunder.

(b) *Leases of sulphur and other mineral.* The right to grant sulphur leases and leases of any mineral other than oil, gas, and sulphur within the leased area or any part thereof, subject to the provisions of section 8 (c), 8 (d), and 8 (e) of the act and all lawful and reasonable regulations prescribed by the Secretary thereunder: *Provided*, That no such sulphur lease or lease of other mineral shall authorize or permit the lessee thereunder unreasonably to interfere with or endanger operations under this lease.

(c) *Purchase of production.* In time of war, or when the President of the United States shall so prescribe, the right of first refusal to purchase at the market price all or any portion of the oil or gas produced

from the leased area, as provided in section 12 (b) of the act.

(d) *Taking of royalties.* All rights, pursuant to clause (3) of section 8 (b) of the act, to take royalties in the amount or value of production.

(e) *Fissionable materials.* All uranium, thorium, and all other materials determined pursuant to paragraph (1) of subsection (b) of section 5 of the Atomic Energy Act of 1946, as amended, to be peculiarly essential to the production of fissionable materials, contained, in whatever concentration, in deposits in the subsoil or seabed of the leased area or any part thereof, as provided in section 12 (e) of the act.

(f) *Helium.* Pursuant to section 12 (f) of the act, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior.

(g) *Suspension of operations during war or national emergency.* Upon recommendation of the Secretary of Defense, during a state of war or national emergency declared by the Congress or President of the United States after August 7, 1953, the authority of the Secretary of the Interior to suspend any or all operations under this lease, as provided in section 12 (c) of the act: *Provided*, That just compensation shall be paid by the lessor to the lessee.

(h) *Restriction of exploration and operations.* The right, as provided in section 12 (d) of the act, to restrict from exploration and operations the leased area or any part thereof which may be designated by and through the Secretary of Defense, with the approval of the President, as, or as part of, an area of the outer Continental Shelf needed for national defense; and so long as such designation remains in effect no exploration or operations may be conducted on the surface of the leased area or the part thereof included within the designation except with the concurrence of the Secretary of Defense; and if operations or production under this lease within any such restricted area shall be suspended, any payments of rentals, minimum royalty, and royalty prescribed by this lease likewise shall be suspended during such period of suspension of operations and production, and the term of this lease shall be extended by adding thereto any such suspension period, and the lessor shall be liable to the lessee for such compensation as is required to be paid under the Constitution of the United States.

SEC. 4. *Directional drilling.* This lease may be maintained in force by directional wells drilled under the leased area from surface locations on adjacent or adjoining lands not covered by this lease. In such circumstances, drilling shall be considered to have been commenced on the leased area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the leased area, and production of oil or gas from the leased area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of this lease. Nothing contained in this paragraph is intended or shall be construed as granting to the lessee any leasehold interests, licenses, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, licenses, easements, or other rights which the lessee may have lawfully acquired under the act or from the lessor or others.

SEC. 5. *Surrender and termination of lease.* The lessee may surrender this entire lease or any officially platted subdivision of the leased area by filing with the Director, Bureau of Land Management, a written relinquishment, in triplicate, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to abandon all wells on the area to be relinquished to the satisfaction of the oil and gas supervisor.

SEC. 6 *Removal of property on termination of lease.* Upon the expiration of this lease, or the earlier termination thereof as herein provided, the lessee shall within a period of one year thereafter remove from the premises, except as provided in section 4 (b) of this lease, all structures, machinery, equipment, tools, and materials other than improvements needed for producing wells, and other property permitted by the lessor to be maintained on the leased area.

SEC. 7. *Remedies in case of default* (a) Whenever the lessee fails to comply with any of the provisions of the act or this lease or the applicable regulations in force and effect on the date of issuance of this lease, the lease shall be subject to cancellation as follows:

(1) *Cancellation of non-producing lease.* If, at the time of such default, no well is producing, or is capable of producing, oil or gas in paying quantities from the leased area, whether such well be drilled from a surface location within the leased area or be directionally drilled from a surface location on adjacent or adjoining lands, this lease may be cancelled by the Secretary (subject to the right of judicial review as provided in section 8 (j) of the act) if such default continues for the period of 30 days after mailing of notice by registered letter to the lessee at the lessee's record post office address.

(2) *Cancellation of producing lease.* If, at the time of such default, any well is producing, or is capable of producing, oil or gas in paying quantities from the leased area, whether such well be drilled from a surface location within the leased area or be directionally drilled from a surface location on adjacent or adjoining lands, this lease may be cancelled by an appropriate proceeding in any United States district court having jurisdiction under the provisions of section 4 (b) of the act if such default continues for the period of 30 days after mailing of notice by registered letter to the lessee at the lessee's record post office address.

(b) *Other remedies.* If any such default continues for the period of 30 days after mailing of notice by registered letter to the lessee at the lessee's record post office address, the lessor may then exercise any legal or equitable remedy which the lessor may have; however, the remedy of cancellation of this lease may be exercised only under the conditions and subject to the limitations set out above in paragraph (a) of this section, or pursuant to section 8 (i) of the act.

(c) *Effect of waiver of default.* A waiver of any particular default shall not prevent the cancellation of this lease or the exercise of any other remedy the lessor may have by reason of any other cause or for the same cause occurring at any other time.

SEC. 8. *Heirs and successors in interest.* Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. *Unlawful interest.* No member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4 (a) (1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes, as amended (41 U. S. C. sec. 22), and sections 431, 432 and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

By _____

_____ _____
(Title) (Date)

_____

_____
(Lessee)

IN WITNESS WHEREOF:

_____
(Name and address)

_____
(Name and address)

Witnesses to signature of lessee.

(If this lease is executed by a corporation, it must bear the corporate seal.)

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Cash bonus _____ Office _____
Rental rate _____ Serial No. _____
Minimum royalty rate _____
Royalty rate _____

SULPHUR LEASE UNDER THE OUTER CONTINENTAL SHELF LANDS ACT

This indenture of lease entered into as of _____, 19____, by and between the United States of America, hereinafter called the lessor, by the Director, Bureau of Land Management, and _____

_____

hereinafter called the lessee, under, pursuant and subject to the terms and provisions of the Outer Continental Shelf Lands Act of August 7, 1953 (67 Stat. 462; 30 U. S. C. sec. — et seq.), hereinafter referred to as the Act, which is made a part hereof, and to all lawful and reasonable regulations of the Secretary of the Interior (hereinafter referred to as the Secretary) when not inconsistent with any express and specific provisions herein, which are made a part hereof:

WITNESSETH:

SECTION 1. *Rights of lessee.* That the lessor, in consideration of a cash bonus and of the rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to mine, remove, and dispose of all the sulphur deposits in, upon, or under the following-described area of the outer Continental Shelf (as that term is defined in the Act):

_____

containing _____ acres, more or less (hereinafter referred to as the leased area), together with:

(a) The non-exclusive right to conduct within the leased area geological and geophysical explorations which are not unduly harmful to aquatic life;

(b) The right to drill water wells within the leased area and to use free of cost, and to dispose of, water produced from such wells; and

(c) The right to construct or erect and to maintain within the leased area all artificial islands, fixed structures, sea walls, docks, dredged channels and spaces, buildings, plants, telegraph or telephone lines and cables, pipelines, reservoirs, tanks, pumping stations, and other works and structures necessary or convenient to the full enjoyment of the rights granted by this lease, for a period of 10 years and so long thereafter as sulphur is being produced from the leased area or drilling, well reworking, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are being conducted thereon; subject to any unit agreement heretofore or hereafter approved by the Secretary, the provisions of said agreement to govern the leased area or part thereof subject thereto where inconsistent with the terms of this lease.

SEC. 2. *Obligations of lessee.* In consideration of the foregoing, the lessee agrees:

(a) *Bond.* To maintain at all times the bond required prior to the issuance of this lease and to furnish such additional security as may be required by the lessor if, after operations or production have begun, the lessor deems such additional security to be necessary.

(b) *Royalty.* To pay the lessor a royalty of ------ percent of the gross value of the sulphur produced, at the wellhead. Such royalty shall be paid monthly in value or delivered in kind at the option of the lessor. It is expressly agreed that the Secretary may establish reasonable minimum values for purposes of computing royalty on any sulphur, due consideration being given to the highest price paid for a part or a majority of the production of like quality from the same general area, to the price received by the lessee, to posted prices, and other relevant matters, and, whenever appropriate, after notice and opportunity to be heard. When paid in value, such royalty on production shall be due and payable monthly on the last day of the calendar month following the calendar month in which the production is obtained. When paid in kind, such royalty shall be delivered in merchantable condition at the point of shipment without cost to the lessor, unless otherwise agreed to by the parties hereto, at such time and in such storage compartments provided by the lessee as may reasonably be required by the lessor, provided that the lessee shall not be required to hold the royalty product in storage for more than 60 days beyond the end of the month in which produced, and, provided further that the lessee shall in no manner be responsible or held liable for the loss or destruction of the royalty product in storage from causes over which the lessee has no control.

(c) *Rentals.* To pay the lessor on or before the first day of each lease year commencing prior to a discovery of sulphur on the leased area, a rental of ------ per acre or fraction thereof.

(d) *Minimum royalty.* To pay the lessor in lieu of rental at the expiration of each lease year commencing after discovery a minimum royalty of ------ per acre or fraction thereof or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty, if the actual royalty paid is less than the minimum royalty.

(e) *Payments.* Unless otherwise provided by regulation or directed by the Secretary, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, and to tender such payments to the oil and gas supervisor, Geological Survey.

(f) *Freedom of purchase.* To accord all workmen and employees directly engaged in operations under this lease complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(g) *Statements, plats, and reports.* To furnish annually, or at such times as the lessor may prescribe, a plat in the manner and form prescribed by the Secretary, showing all prospecting and development work on the leased area and other related information, with a report as to all buildings, structures, or other works placed in or upon the leased area, as well as any buildings, reduction works, or equipment, situated elsewhere and owned or operated in conjunction with, or as a part of the operations conducted hereunder; a report as to stockholders, business transacted, assets and liabilities of the lessee; and a statement of the amount and quality of sulphur deposits and other minerals produced and secured by operations hereunder, the cost of production, and the amount used for production purposes or unavoidably lost.

(h) *Diligence; prevention of waste; health and safety of workmen.* To develop and produce in commercial quantities, with reasonable diligence, skill and care in the operation of the property, the sulphur susceptible of such production in the leased area; to carry out, at the expense of the lessee, all reasonable orders of the lessor issued in pursuance of the operating regulations; to carry on all mining, reducing, refining, and other operations in accordance with approved methods and practice and in conformity with the operating regulations; to take all reasonable precaution to prevent damage to mineral deposits, injury to life, health, or property, or economic waste; to observe all laws relative to the health and safety of workmen and employees; and to provide access at all times to mining and related productive operations for examination and inspection by authorized representatives of the lessor.

(i) *Fair employment practice.* Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts relating to operations under this lease.

(j) *Forfeiture of lease.* To deliver up to the lessor in good order and condition and subject to the provisions of section 6 hereof on the termination of this lease as a result of forfeiture thereof pursuant to section 5 (b) (1) or (2) of the Act, the leased area, including all fixtures, machinery, improvements, and appurtenances, together with such personal property situated on the leased area as may be necessary or convenient for the continued operation to the full extent and capacity of the leased area.

(k) *Assignment of lease.* To file for approval with the Director, Bureau of Land Management, within 90 days from the date of final execution, any instrument of transfer of this lease, or any interest therein, including, without limitation, assignments of record title, working or overriding royalty interests, operating agreements and subleases, such instrument to take effect upon approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing unless at the request of the parties an earlier date is specified in the Director's approval.

(l) *Overriding royalties.* Not to create overriding royalties in excess of those authorized by regulation.

SEC. 3. *Reservations to lessor.* The lessor expressly reserves:

(a) *Geological and geophysical exploration; rights-of-way.* The right to authorize the conduct of geological and geophysical exploration in the leased area which does not interfere with or endanger actual operations under this lease, and the right to grant such easements or rights-of-way, upon, through, or in the leased area as may be necessary to the working of other lands containing the deposits described in the Act, and to the treatment and shipment of products thereof by or under authority of the United States, its lessees or permittees, and for other public purposes, subject to the provisions of section 5 (c) of the Act where they are applicable and to all lawful and reasonable regulations and conditions prescribed by the Secretary thereunder.

(b) *Leases of other minerals.* The right to grant leases of any mineral other than sulphur within the leased area or any part thereof, subject to the provisions of section 8 (c), 8 (d), and 8 (e) of the Act and all lawful and reasonable regulations prescribed by the Secretary thereunder: *Provided*, That no such mineral lease shall authorize or permit the lessee thereunder unreasonably to interfere with or endanger operations under this lease.

(c) *Purchase of production.* In time of war, or when the President shall so prescribe, the right of first refusal to purchase all or any of the sulphur produced from the leased area at the point of shipment to market at the prevailing market prices as determined by the Secretary.

(d) *Fissionable materials.* All uranium, thorium, and all other materials determined pursuant to paragraph (1) of subsection (b) of section 5 of the Atomic Energy Act of 1946, as amended, to be peculiarly essential to the production of fissionable materials, contained, in whatever concentration, in deposits in the subsoil or seabed of the leased area or any part thereof, as provided in section 12 (e) of the Act.

(e) *Suspension of operations during war or national emergency.* Upon recommendation of the Secretary of Defense, during a state of war or national emergency declared by the Congress or President of the United States after August 7, 1953, the authority of the Secretary of the Interior to suspend any or all operations under this lease, as provided in section 12 (c) of the Act: *Provided*, That just compensation shall be paid by the lessor to the lessee.

(f) *Restriction of exploration and operations.* The right, as provided in section 12 (d) of the act, to restrict from exploration and operations the leased area or any part thereof which may be designated by and through the Secretary of Defense, with the approval of the President, as, or as part of, an area of the outer Continental Shelf needed for national defense; and so long as such designation remains in effect no exploration or operations may be conducted on the surface of the leased area or the part thereof included within the designation except with the concurrence of the Secretary of Defense; and if operations or production under this lease within any such restricted area shall be suspended, any payments of rentals, minimum royalty, and royalty prescribed by this lease likewise shall be suspended during such period of suspension of operations and production, and the term of this lease shall be extended by adding thereto any such suspension period, and the lessor shall be liable to the lessee for such compensation as is required to be paid under the Constitution of the United States.

SEC. 4. *Directional drilling.* This lease may be maintained in force by directional wells drilled under the leased area from surface locations on adjacent or adjoining lands not covered by this lease. In such circumstances, drilling shall be considered to have been commenced on the leased area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the leased area, and production of sulphur from the leased area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of this lease. Nothing contained in this paragraph is intended or shall be construed as granting to the lessee any leasehold interests, licenses, easements, or other rights in or with respect to such adjacent or adjoining land in addition to any such leasehold interests, licenses, easements, or other rights which the lessee may have lawfully acquired under the act or from the lessor or others.

SEC. 5. *Surrender and termination of lease.* The lessee may surrender this entire lease or any officially platted subdivision of the leased area by filing with the Director, Bureau of Land Management, a written relinquishment, in triplicate, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to abandon all wells or workings on the area to be relinquished.

SEC. 6. *Purchase of materials, etc., on termination of lease.* On the expiration or termination of this lease, by surrender or forfeiture, the lessor, his agent, licensee, or lessee, shall have the exclusive right, at the lessor's election, to purchase at any time within six months, at the appraised value thereof, any or all buildings, machinery,

equipment and tools, whether fixtures or personalty, placed by the lessee in or on the leased area, save and except equipment such as underground timbering, supports, shaft linings, and well casings, necessary for the abandonment or preservation of the mine, wells, or other development works, which shall be and remain a part of the realty without further consideration or compensation. The purchase price to be paid for the buildings, machinery, equipment, and tools to be purchased shall be fixed by the appraisal of three disinterested and competent persons (one to be designated by each party to this lease and the third by the two so designated), the valuation of the three or a majority of them to be conclusive. Pending such election to purchase within the period of six months, none of the buildings or other property shall be removed from their normal position. At any time within a period of 90 days after election by the lessor not to purchase or after expiration of the period of six months without election by the lessor, the lessee shall remove from the leased area the buildings and other property except the underground equipment and structures necessary for the preservation of the mine, wells, and other development works.

SEC. 7. *Proceedings in case of default.* If the lessee fails to comply with any of the provisions of the Act or this lease or the applicable regulations in force on the date of issuance of this lease, and such default continues for a period of 30 days after service by registered mail of notice thereof upon the lessee, this lease may be cancelled by the Secretary in accordance with section 5 (b) (1) of the Act, if the lease is not producing at the time of default. If the lease is producing at that time, it may be cancelled only by judicial proceedings in the manner provided in section 5 (b) (2) of the Act. These provisions shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular default shall not prevent the cancellation of this lease or the exercise of any other remedy the lessor may have by reason of any other cause or for the same cause occurring at any other time.

SEC. 8. *Heirs and successors in interest.* Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. *Unlawful interest.* No Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4 (a) (1), shall be admitted to any share or part of this lease, or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes, as amended (41 U. S. C., sec. 22), and sections 431, 432, and 433 of Title 18 of the United States Code, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

By ----------

---------- (Title) (Date)

---------- (Lessee)

IN WITNESS WHEREOF:

---------- (Name and address)

---------- (Name and address)

Witnesses to signature of lessee.

(If this lease is executed by a corporation, it must bear the corporate seal.)

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 961]

[Docket No. AO-160-A-15-RO 1]

HANDLING OF MILK IN PHILADELPHIA, PA., MARKETING AREA

DECISION WITH RESPECT TO PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND PROPOSED ORDER AMENDING ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was conducted at Philadelphia, Pennsylvania, on March 23, 1953, pursuant to notice issued March 9, 1953 (18 F. R. 1452), and on January 21, 1954, pursuant to notice issued January 11, 1954 (19 F. R. 273).

The material issues on the record of the hearing were:

(1) Whether the 10-cent seasonal reduction in the Class II price should apply in February and March 1954.

(2) Whether certain Class II products should be priced in certain periods in a separate sub-class at a price lower than the regular Class II price.

(3) The need for abbreviated procedure to change the Class II price formula.

(4) Revision of the Class II formula on a more permanent basis.

This decision deals only with issues Nos. 1 and 3. Issues Nos. 2 and 4 are reserved for a further decision on this record.

Findings and conclusions. The following findings and conclusions on the material issues stated above are based upon evidence contained in the record of the hearing:

(1) The 10-cent seasonal adjustment of the Class II formula price should be effective in March 1954.

Producer, as well as handler, representatives requested that the 10-cent seasonal deduction apply to the Class II formula price for February and March this year, because of the presently larger than usual volume of Class II milk, and expected increases during these months.

Receipts of milk from producers in December were about 4 percent greater in volume than in December the year previous. This increase was part of a general upward trend in production during recent years. December 1953 receipts were about 12 percent higher than for the same month of 1950, while during the same period the number of producers under the order declined from 8,925 to 7,872.

A number of handlers have shown unwillingness to receive this year the increased volume of milk in excess of their needs for fluid sales. Quotas have been announced by several handlers limiting the amount of milk they will receive from individual producers. In general, these quotas would be effective, beginning in January or February, and throughout the flush season. Many handlers lack facilities for manufacturing the increased volume of Class II milk. In the case of a few handlers who have considerable manufacturing capacity in their plants, it was pointed out that there is milk available from non-producer sources which can be purchased for manufacturing purposes at prices less than the order Class II price. This situation reduces the incentive for handlers with facilities to accommodate handlers without such manufacturing facilities who must dispose of excess milk.

Assuming the usual seasonal increase in production, the amount of milk in excess of quotas during the forthcoming flush season would probably be similar and possibly somewhat larger than the amount of over-quota milk last year. During 1953 the estimated volume of over-quota milk was for February, 1.1 million pounds; for March, 1.5 million pounds; for April, 2.2 million pounds; for May, 3.5 million pounds; and for June, 2.3 million pounds.

Much of this over-quota milk was marketed under arrangements made by a producer organization by movement to non-handler manufacturing plants in Eastern States. It was testified that prices received for this milk, after deduction of hauling charges, were less than the order Class II price by amounts ranging from 37 cents per hundredweight in February to 75 cents less in May. About a quarter of a million pounds of milk so handled in December 1953, brought a net price of $2.96, or 72 cents under the order Class II price.

It was indicated on the record that more of the milk from producers would be received by handlers, if the cost of Class II milk, or at least a part of the Class II utilization, was reduced to a level closer to the level obtained for milk shipped to non-handler manufacturing plants. One method proposed for immediately adjusting the Class II price was to suspend certain order provisions so that the seasonally lower formula price would apply in February and March this year, as well as for the months of April, May and June.

It does not appear that the market situation will require adjustment of the Class II price formula for the month of February this year. The rate of milk production in February is ordinarily less than in the following months of March through June. Also, experience has shown that the price formula has considerable flexibility in responding to changes in general supply conditions. In December 1953, the Class II formula price was slightly higher, for milk of 3.5 percent butterfat test at country plants, than some other representative prices for milk for manufacturing, namely the price for Class III milk under the New York order, and the estimated average price for milk for manufacturing purposes in the United States. During February and the following flush months of 1953, the Class II formula price was, on the same basis of comparison, lower than these other prices for milk for manufacturing purposes. A further factor in the current market situation is an amendment to the order made effective January 1, 1954, which revises the definition of "producer milk plant." Because of the new, more inclusive definition of

"producer milk plant," there is some tendency on the part of nonproducer milk plants which had been furnishing some Class I milk to the market to withdraw from such operations, or substantially so, because of a preference to remain outside of order regulations. As a result, it may be expected there will be a somewhat increased demand for the producer milk received at plants regularly under the order, and a consequent lessening of the amount of producer milk which must be used in Class II, or refused under the quota system.

Since the year 1950, the Class II price formula has contained a seasonal adjustment for the months of April, May, and June in the form of a ten-cent reduction compared to other months. This seasonal adjustment recognizes the fact that in these months a higher proportion of Class II utilization is in manufactured products of relatively low value. Such a seasonal adjustment may be part of a pricing plan designed for a level of production closely adjusted to the needs of the market, although with some seasonal increase in production in the spring months. Such an adjustment is distinguished from a general change in the level of the Class II formula.

Some minor modification of the seasonal pattern of Class II formula on a current and temporary basis is appropriate. The inclusion of March 1954 in the months of seasonally lower price adjustment will not distort the seasonal nature of the adjustment, and is particularly appropriate when the volume of Class II milk is running higher than in previous years.

(3) The due and timely execution of the function of the Secretary under the act imperatively and unavoidably requires the omission of a recommended decision by the Deputy Administrator, Agricultural Marketing Service, and the opportunity for exceptions thereto.

The conditions complained of are such that it is urgent that remedial action be taken not later than March 1, 1954. Delay beyond the minimum time required to make the order set forth below effective would defeat the purpose of such amendment. An early determination on issues treated in this decision is essential to orderly marketing in this marketing area. Action on these issues by the most expeditious procedure was requested by producers and handlers on the record. The time necessarily involved in the preparation, filing, and publication of a recommended decision, and exceptions thereto, would reduce the effectiveness of such relief and would tend to prevent the effectuation of the declared policy of the act.

Rulings on proposed findings and conclusions. A brief was filed which contained proposed findings and conclusions, and arguments with respect to the provisions of the proposed amendments. Every point covered in the brief was carefully considered along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the findings and conclusions proposed in the brief are inconsistent with the findings and conclusions contained herein, the request to make such findings or to reach such conclusions is denied on the basis of the facts found and stated in connection with the conclusions in this decision.

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said marketing agreement upon which a hearing has been held.

Determination of representative period. The month of December 1953 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order amending the order, as amended, regulating the handling of milk in the Philadelphia, Pennsylvania, marketing area in the manner set forth in the amending order below is approved or favored by producers who during such period were engaged in the production of milk for sale in the marketing area specified in such order, as amended.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled respectively "Marketing Agreement Regulating the Handling of Milk in the Philadelphia, Pennsylvania, Marketing Area" and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Philadelphia, Pennsylvania, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered, That all of this decision except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as hereby proposed to be amended, by the order set forth below which will be published with this decision.

This decision filed at Washington, D. C., this 11th day of February 1954.

[SEAL] JOHN H. DAVIS,
Assistant Secretary of Agriculture.

Order[1] Amending the Order, as Amended, Regulating the Handling of Milk in the Philadelphia, Pennsylvania, Marketing Area

§ 961.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Philadelphia, Pennsylvania, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the said marketing area and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest;

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof the handling of milk in the Philadelphia, Pennsylvania, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. In § 961.40 (b) (2) change the period at the end of the sentence to a comma, and add the words "except in

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

the computation of the price for March 1954, subtract 54 cents."

[F. R. Doc. 54-1078; Filed, Feb. 15, 1954; 8:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Part 240]

EXEMPTION OF LONG TERM PROFITS INCIDENT TO SALES WITHIN SIX MONTHS OF EXERCISE OF OPTION

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposal for the amendment of § 240.16b-6 (Rule X-16B-6; 17 CFR 240.16b-6) under the Securities Exchange Act of 1934.

Rule X-16B-6 grants a partial exemption from section 16 (b) of the Securities Exchange Act with respect to profits which might otherwise be deemed to have been realized and recoverable, where there is a purchase by an officer, director or 10 percent stockholder of an equity security pursuant to the exercise of an option or similar right and a sale of that equity security within six months thereof. The purpose of the amendment is to broaden the exemption provided by the rule so as to relieve from liability under section 16 (b) certain profits realized as a result of the exercise of an option or similar right which was acquired more than six months before its exercise, and the disposition of the security so acquired pursuant to a plan or agreement for a statutory merger or consolidation or reclassification of securities, or a proposal for the transfer of assets from one corporation to another in consideration for the issuance of securities. It has been suggested that the transactions described in the proposed rule are not comprehended within the purpose of section 16 (b). The amendment is covered by paragraph (c) of the text of the section below.

Statutory basis. The authority to adopt the proposed rule is vested in the Commission by the Securities Exchange Act of 1934, particularly sections 3 (a) (12), 3 (b), 16 (b) and 23 (a).

The text of the proposed rule is as follows:

§ 240.16b-6 *Exemption of long term profits incident to sales within six months of the exercise of an option.* (a) To the extent specified in paragraph (b) of this section the Commission hereby exempts as not comprehended within the purposes of section 16 (b) of the act any transaction or transactions involving the purchase and sale or sale and purchase of any equity security where such purchase is pursuant to the exercise of an option or similar right either (1) acquired more than six months before its exercise, or (2) acquired pursuant to the terms of an employment contract entered into more than six months before its exercise.

(b) In respect of transactions specified in paragraph (a) of this section the profits inuring to the issuer shall not exceed the difference between the proceeds of sale and the lowest market price of any security of the same class within six months before or after the date of sale. Nothing in this section shall be deemed to enlarge the amount of profit which would inure to the issuer in the absence of this section.

(c) The Commission also hereby exempts, as not comprehended within the purposes of section 16 (b) of the act, the disposition of a security, purchased in a transaction specified in paragraph (a) of this section, pursuant to a plan or agreement for merger or consolidation, or reclassification of the issuers' securities, or for the exchange of its securities for the securities of another person which has acquired its assets, where the terms of such plan or agreement are binding upon all stockholders of the issuer except to the extent that dissenting stockholders may be entitled, under statutory provisions or provisions contained in the certificate of incorporation, to receive the appraised or fair value of their holdings.

(d) The exemptions provided by this section shall not apply to any transaction made unlawful by section 16 (c) of the act or by any rules and regulations thereunder.

(e) The burden of establishing market price of a security for the purpose of this section shall rest upon the person claiming the exemption.

(f) The exemption granted pursuant to this section shall apply to any liability under section 16 (b) existing at or after the effective date of this section, but shall not be deemed to affect judgments rendered prior to that date.

All interested persons are invited to submit views and comments on the proposed rule in writing to the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., on or before February 23, 1954.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

FEBRUARY 9, 1954.

[F. R. Doc. 54-1074; Filed, Feb. 15, 1954; 8:48 a. m.]

NOTICES

DEPARTMENT OF THE TREASURY

United States Coast Guard

[CGFR 54-6]

CORK AND BALSA WOOD LIFE PRESERVERS

TERMINATION OF APPROVALS

Termination of approvals for models 31 and 35, cork life preservers, and models 41 and 45, balsa wood life preservers.

A notice regarding proposed changes in the rules and regulations governing vessel inspection was published in the FEDERAL REGISTER dated February 13, 1953, 18 F. R. 880-883. The Merchant Marine Council held a public hearing on March 24, 1953, in Washington, D. C., and considered as Item VII on the agenda the revision of the specification requirements for cork and balsa wood life preservers. The revised specifications for cork and balsa wood life preservers were published in the FEDERAL REGISTER dated December 5, 1953, 18 F. R. 7858-7862. These specifications are in effect on and after April 1, 1954, and govern the manufacture of Coast Guard approved cork and balsa wood life preservers.

Copies of the revised specifications covering cork and balsa wood life preservers for use on merchant vessels and motorboats, together with full scale prints of drawings, were sent to those manufacturers known to be interested in manufacturing such life preservers.

The approvals for cork life preservers, Models 31 and 35, adult and child, granted to the manufacturers listed below, are terminated effective as of April 1, 1954:

Alaska Steamship Co., Piers 50 and 51, Seattle, Wash.

American Pad & Textile Co., The, Greenfield, Ohio.

Armstrong Cork Co., Lancaster, Pa.

Armstrong Featherweight Decoys, Inc., Houston, Tex.

Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 2, N. Y.

Bloomingdale Manufacturing Co., 9 Main Street, Butler, N. J.

Broom's Sons, George, Pier 59, Seattle, Wash.

Central Sterilizing Plant, 270 Seventh Street, San Francisco, Calif.

Cluff Fabric Products, Inc., 457 East 147th Street, New York, N. Y.

Delgro Manufacturing Co., 121 Myrtle Avenue, Boonton, N. J.

Dodge Cork Co., Inc., Lancaster, Pa.

General Auto Seat Cover Co., 305 East Burnside Avenue, Bronx, New York, N. Y.

General Cork Co., Mountain Lakes, N. J.

Gihon, Inc., H. D., 21 Muirhead Avenue, Trenton, N. J.

Grand Novelty Hassock Co., 279-81 State St., Brooklyn 2, N. Y.

Hayes Manufacturing Co., 5344 College Avenue, Oakland, Calif.

Hendry Co., C. J., 27 Main Street, San Francisco, Calif.

Hudgins-Dize Co., Inc., 121 West Main Street, Norfolk, Va.

Jurgensen Manufacturing Co., 162 Gates Avenue, Brooklyn 16, N. Y.

Kent Marine Products Corp., West Babylon, N. Y.

Mare Island Ferry, foot of Georgia Street, Vallejo, Calif.

Matson Navigation Co., 480 Main Street, San Francisco, Calif.

Merit Manufacturing Corp., 92-15 172d Street, Jamaica, Long Island, N. Y.

Metropolitan Cork Co., 9 St. Nicholas Avenue, Brooklyn, N. Y.

Miller Co., E. J., 66 Broadway Avenue, Mount Clemens, Mich.

Parker & Lund Sail Loft Co., 1146 State Street, Bellingham, Wash.
Puget Sound Tent & Duck Co., 1905 Third Avenue, Seattle, Wash.
Rose Co., The, 132 York Street, Brooklyn, N. Y.
Salow Co., Elvin, 31-33 South Street, Boston 11, Mass.
Sculler Safety Corp., 116-122 Broad Street, New York, N. Y.
Southern Pacific Co., 65 Market Street, San Francisco 5, Calif.
Sunde & d'Evers Co., Colman Ferry Terminal, Seattle 4, Wash.
Tacoma Tent & Awning Co., 1151 South Tacoma Avenue, Tacoma, Wash.
Warner Bros. Co., Bridgeport, Conn.
Wicker-Craft Co., The, 1245 North Orange Avenue, Orlando, Fla.
Wilson Line, Inc., Wilmington, Del.
Wycombe, Meyer, Inc., Norwalk, Conn.

The approvals for balsa wood life preservers, Models 41 and 45, adult and child, issued to the manufacturers listed below, are terminated effective as of April 1, 1954:

Acme Products, Inc., 152-156 Brewery Street, New Haven, Conn.
American Pad & Textile Co., The, Greenfield, Ohio.
American Pad & Textile Co., The, 511 North Solomon Street, New Orleans 19, La.
Armstrong Featherweight Decoys, Inc., Houston, Tex.
Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn 2, N. Y.
Bloomingdale Manufacturing Co., 9 Main Street, Butler, N. J.
Central Sterilizing Plant, 270 Seventh Street, San Francisco, Calif.
Cluff Fabric Products, Inc., 457 East 147th Street, New York, N. Y.
Dodge Cork Co., Inc., Lancaster, Pa.
Foster Manufacturing Co., The, 430-438 Notre Dame Street, New Orleans, La.
General Auto Seat Cover Co., 305 East Burnside Avenue, Bronx, New York, N. Y.
General Cork Co., Mountain Lakes, N. J.
Gibon, Inc., H. D. 21 Muirhead Avenue, Trenton, N. J.
Hayes Manufacturing Co., 5344 College Avenue, Oakland, Calif.
Heath Co., Forrest A., 1643 Arapahoe Street, Denver, Colo.
Hendry Co., C. J., 27 Main Street, San Francisco, Calif.
Jurgensen Manufacturing Co., 162 Gates Avenue, Brooklyn 16, N. Y.
Kent Marine Products Corp., West Babylon, N. Y.
Marbo Lamp & Shade Manufacturing Co., Los Angeles, Calif.
Mare Island Ferry, foot of Georgia Street, Vallejo, Calif.
Matson Navigation Co., 480 Main Street, San Francisco, Calif.
Merit Manufacturing Co., 92-15 172d Street, Jamaica, Long Island, N. Y.
Modelcraft, 7306 South Vermont Avenue, Los Angeles, Calif.
Puget Sound Tent & Duck Co., 1905 Third Avenue, Seattle, Wash.
Rose Co., The, 132 York Street, Brooklyn, N. Y.
Salow Co., Elvin, 31-33 South Street, Boston 11, Mass.
Sculler Safety Corp., 116-122 Broad Street, New York, N. Y.
Tacoma Tent & Awning Co., 1151 South Tacoma Avenue, Tacoma, Wash.
Ty-Ton Manufacturing Co., Los Angeles, Calif.
Warner Bros. Co., Bridgeport, Conn.
Winner Manufacturing Co., Inc., 623 Prospect Street, Trenton, N. J.
Wycombe, Meyer, Inc., Norwalk, Conn.

Models 31 and 35 cork life preservers, and Models 41 and 45 balsa wood life preservers, manufactured prior to April 1, 1954, may be continued in service on board merchant vessels or motorboats after April 1, 1954, so long as such life preservers are in good and serviceable condition.

If a manufacturer desires to build Coast Guard approved cork or balsa wood life preservers for merchant vessels or motorboats, it will be necessary that the manufacturer follow the revised requirements and procedures in Coast Guard specification Subpart 160.003, covering cork life preservers, and specification Subpart 160.004, covering balsa wood life preservers (46 CFR 160.003, 160.004), which were published in the FEDERAL REGISTER of December 5, 1953. Copies of the revised specifications may be obtained upon request from the nearest Officer in Charge, Marine Inspection, or the Commandant (MMT), U. S. Coast Guard, Washington 25, D. C.

Dated: February 10, 1954.

[SEAL] A. C. RICHMOND,
Rear Admiral, U. S. Coast Guard, Acting Commandant.

[F. R. Doc. 54-1072; Filed, Feb. 15, 1954; 8:47 a. m.]

DEPARTMENT OF DEFENSE

Office of the Secretary

SECRETARIES OF NAVY AND AIR FORCE

DELEGATION OF AUTHORITY TO ORDER CERTAIN MEMBERS OF RESERVE COMPONENTS TO ACTIVE DUTY (NAVY AND AIR FORCE)

The following delegation of authority is promulgated under the authority vested in me by Executive Order 10478, dated August 5, 1953, subsection 202 (f) of the National Security Act of 1947 (61 Stat. 500), as amended, and Reorganization Plan No. 6 of 1953.

1. The Secretary of the Navy and the Secretary of the Air Force are authorized, until July 1, 1955, to order to active duty under subsection 4 (c) of the act of September 9, 1950 (64 Stat. 828), as added by section 3 of the act of June 29, 1953 (67 Stat. 87), with or without their consent, those members of the reserve components of the Navy and of the Air Force, respectively, who are registered under subsection 4 (i) of the Universal Military Training and Service Act (64 Stat. 826), as amended, and those persons who would be, but for such membership, liable for registration under the provisions of that subsection.

2. Under such conditions as he may prescribe, the Secretary of the Air Force may redelegate his authority under this order to the Commander, Continental Air Command.

C. E. WILSON,
Secretary of Defense.

FEBRUARY 5, 1954.

[F. R. Doc. 54-1059; Filed, Feb. 15, 1954; 8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

FLORIDA

DESIGNATION OF PRODUCTION AND ECONOMIC DISASTER AREA

Pursuant to authority contained in section 2 (a) of Public Law 38, 81st Congress, it is found that a production disaster has caused a need for agricultural credit in Sarasota County, Florida.

Pursuant to delegation of authority from the Administrator of the Federal Civil Defense Administration (18 F. R. 4609) and for the purpose of making economic disaster loans under section 2 (b) of Public Law 38, 81st Congress, as amended by Public Law 115, 83d Congress, it is hereby determined that an economic disaster exists in Sarasota County, Florida, and that such economic disaster is in connection with and is within the area affected by the major disaster occasioned by flood determined by the President on October 22, 1953, pursuant to Public Law 875, 81st Congress.

After December 31, 1954, production and economic disaster loans will not be made in Sarasota County, Florida, except to borrowers who previously received such assistance.

Done at Washington, D. C., this 11th day of February 1954.

[SEAL] TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 54-1063; Filed, Feb. 15, 1954; 8:46 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

NOTICE OF HEARING IN CONNECTION WITH PROPOSED WITHDRAWAL FOR DEPARTMENT OF THE ARMY OF PURLIC LANDS ADJACENT TO TURNAGAIN ARM NEAR ANCHORAGE, ALASKA

Notice is hereby given that a public hearing will be held by Lowell M. Puckett, Regional Administrator, Bureau of Land Management, Department of the Interior, at 9:00 a. m. on Monday, March 1, 1954, at the Y. M. C. A. located at the corner of Sixth and F Streets, Anchorage, Alaska, with respect to the request of the Department of the Army for the withdrawal of approximately 48,000 acres of land located on both sides of Turnagain Arm, for use as an anti-aircraft artillery range. Maps of the proposed area will be displayed at the hearing.

The hearing will be open to the attendance of all interested persons, including individuals, local officers, officers of Federal and Territorial agencies, and representatives of individuals or organizations.

All persons wishing to be heard with respect to the proposed withdrawal should notify Lowell M. Puckett, Regional Administrator, Bureau of Land Management, Box 480, Anchorage,

Alaska, before 9:00 a. m. March 1, 1954. Those desiring to submit written statements should submit them as soon as possible before the hearing.

This notice of hearing is published pursuant to telegraphic authorization from Edward Woozley, Director, Bureau of Land Management, to Lowell M. Puckett, Regional Administrator, on February 5, 1954.

LOWELL M. PUCKETT,
Regional Administrator,
Region VII, Alaska.

FEBRUARY 8, 1954.

[F. R. Doc. 54-1068; Filed, Feb. 15, 1954; 8:47 a. m.]

Bureau of Reclamation

BELLE FOURCHE PROJECT, SOUTH DAKOTA

ORDER OF REVOCATION

DECEMBER 15, 1953.

Pursuant to the authority delegated by Departmental Order No. 2515 of April 7, 1949 (14 F. R. 1937), I hereby revoke Departmental Orders of July 18, 1903, March 3 and September 27, 1909, in so far as said orders affect the following described lands: *Provided, however,* That such revocation shall not affect the withdrawal of any other lands by said orders or affect any other orders withdrawing or reserving the lands hereinafter described:

BLACK HILLS MERIDIAN, SOUTH DAKOTA

T. 9 N., R. 5 E.,
Sec. 11, SW¼NW¼, N½SW¼, SW¼SW¼.

The above areas aggregate 160 acres.

H. F. MCPHAIL,
Acting Commissioner.

[Misc. 66162]

FEBRUARY 10, 1954.

I concur. The records of the Bureau of Land Management will be noted accordingly.

The lands are included in homestead entry Pierre 023286 and are not subject to the provisions of the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279-284), as amended, granting preference rights to veterans of World War II and others.

EARL G. HARRINGTON,
Acting Assistant Director,
Bureau of Land Management.

[F. R. Doc. 54-1060; Filed, Feb. 15, 1954; 8:45 a. m.]

[Regional Director's Order 1]

CITY MANAGER, BOULDER CITY MUNICIPAL OFFICE

DELEGATION OF AUTHORITY WITH RESPECT TO CERTAIN LEASES IN BOULDER CITY, NEV.

JANUARY 26, 1954.

SECTION 1. *Delegation of Authority.* The City Manager, Boulder City Municipal Office, may:

(a) Establish and revise rental rates heretofore or hereafter established for, and lease improved and unimproved land in, the Boulder City Federal Reservation for commercial, industrial, and residential purposes; and

(b) Consent to the assignment and subletting of such leases.

SEC. 2. *Authority.* This order is issued pursuant to Commissioner's Order No. 29, dated January 26, 1954.

E. G. NIELSEN,
Regional Director, Region 3.

[F. R. Doc. 54-1061; Filed, Feb. 15, 1954; 8:45 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-3237]

ADOLF GOBEL, INC.

ORDER SUMMARILY SUSPENDING TRADING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 10th day of February A. D. 1954.

The Commission by order adopted March 13, 1953, pursuant to section 19 (a) (4) of the Securities Exchange Act of 1934, having summarily suspended trading in the $1.00 par value common stock of Adolf Gobel, Inc., on the American Stock Exchange for a period of ten days from that date, and subsequently having entered additional orders further suspending such trading in order to prevent fraudulent, deceptive or manipulative acts or practices; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on that Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15 (c) (2) of the Securities Exchange Act of 1934 and the Commission's Rule X-15C2-2 thereunder, for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, such security otherwise than on a national securities exchange.

It is ordered, Pursuant to section 19 (a) (4) of the Securities Exchange Act of 1934, that trading in said securities on the American Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, effective at the opening of the trading session on said Exchange on February 11, 1954, for a period of ten days.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 54-1073; Filed, Feb. 15, 1954; 8:48 a. m.]

[File Nos. 31-55, 70-3187]

PACIFIC GAS AND ELECTRIC CO.

NOTICE OF FILING REGARDING ACQUISITION BY HOLDING COMPANY OF CAPITAL STOCKS OF HOLDING COMPANY AND PUBLIC UTILITY SUBSIDIARY THEREOF AND APPLICATION FOR EXEMPTION OF HOLDING COMPANY AND SUBSIDIARIES THEREOF

FEBRUARY 10, 1954.

Notice is hereby given that Pacific Gas and Electric Company ("PG&E"), an exempt holding company, has filed an application pursuant to the provisions of the Public Utility Holding Company Act of 1935 ("act"), for approval of its acquisition of the outstanding common and preferred stocks of Pacific Public Service Company ("PPS"), an exempt holding company, and the outstanding preferred stocks of Coast Counties Gas and Electric Company ("Coast Counties"), a public-utility subsidiary of PPS.

Notice is further given that PG&E has filed an application for exemption of itself, as a holding company, and its subsidiaries as such, from the provisions of the act.

PG&E has specified sections 9 (a) (2) and 10 of the act as applicable to the proposed acquisitions of the capital stocks of PPS and Coast Counties and sections 3 (a) (1) and 3 (a) (2) as applicable to the requested exemption of PG&E and its subsidiaries.

All interested persons are referred to said applications which are on file in the offices of the Commission for a statement of the facts and proposed transactions, as set forth therein, which are summarized as follows:

PG&E is engaged in the generation, transmission and distribution of electric energy and the purchase, transmission and distribution of natural gas within the general area of northern and central California. PG&E owns (1) all of the outstanding capital stock of Vallejo Electric Light and Power Company ("Vallejo"), which is engaged solely in the distribution of electric energy in and in the immediate vicinity of Vallejo, California; (2) 7/14ths of the capital stock of Standard Pacific Gas Lines Incorporated ("Stanpac"), which owns and operates pipe lines connecting the Kettleman Hills gas fields and the Rio Vista gas fields with the gas utility systems of PG&E and Coast Counties; and (3) two small non-utility subsidiaries. PG&E as a holding company, and its subsidiaries as such, are exempt from the provisions of the act under an order of the Commission dated September 10, 1941 issued pursuant to sections 3 (a) (1) and 3 (a) (2) of the act (10 S. E. C. 39). PG&E and all its subsidiaries are incorporated and operate solely within the State of California.

PPS is solely a holding company which is exempt as such by reason of having filed an application with this Commission for exemption of itself and its subsidiaries pursuant to section 3 (a) (1) of the act. (File No. 31-565). PPS owns all of the outstanding common stock of Coast Counties, a California corporation, which is engaged in the distribution

of electric energy and natural gas at retail in areas contiguous to and in areas served by PG&E. PPS also owns all of the outstanding common stocks of Natural Gas Corporation of California, a California corporation which is engaged in the production of natural gas from certain fields in California which it sells to PG&E and to Coast Counties, and of Gas Lines, Inc., a California corporation, which is engaged in the transportation of natural gas under private contract for various producers through facilities wholly or partially owned by Coast Counties. Coast Counties also owns 5/14ths of the outstanding capital stock of Stanpac (the remaining 2/14ths of Stanpac's common stock is owned by Standard Oil Company of California). PPS and all its subsidiaries are incorporated and operate solely within the State of California.

PPS has outstanding 741,969.85 shares of no par value common stock. Blyth & Co., Inc. ("Blyth"), an investment banking firm, holds 623,651 shares of such stock, the acquisition thereof having been approved by the Commission by an order dated June 1, 1953 (Holding Company Act Release No. 11959). PPS also has outstanding 298,137.7 shares of no par value $1.30 Cumulative First Preferred Stock, all of which is held by the public.

Coast Counties has outstanding 308,480 shares of common stock, par value $25 per share, all of which is owned by PPS. Coast Counties also has outstanding two series of cumulative preferred stock, par value $25 per share, consisting of 124,000 shares of 4 Percent Series A and 75,000 shares of 4.80 Percent Series B, all of which is owned by the public.

Pursuant to a contract between PG&E and Blyth dated January 20, 1954, PG&E proposes to issue and exchange 330,535 shares of its common stock, par value $25 per share, for the 623,651 shares of PPS common stock now held by Blyth, an exchange ratio of fifty-three hundredths ($0.53) of a share of PG&E common stock for each share of PPS common stock. As a result of this transaction PG&E will become the owner of about 84 percent of the common stock of PPS and approximately 60 percent of all classes of PPS capital stock.

Following the acquisition of the 623,651 shares of PPS common stock from Blyth, PG&E will offer to issue and exchange fifty-three hundredths (0.53) of a share of its common stock for each share of the publicly-held PPS common stock.

PG&E will offer to each holder of the preferred stock of PPS, in exchange for each share of such stock, at the holder's choice, either seven-tenths (0.7) of a share of PG&E common stock or one share of PG&E 5 percent Redeemable First Preferred Stock.

PG&E will offer to each holder of the Series A 4 percent Preferred Stock of Coast Counties, in exchange for each share of such stock, at the holder's choice, either seven-tenths (0.7) of a share of PG&E common stock or eight-tenths (0.8) of a share of PG&E 5 percent Redeemable First Preferred Stock.

PG&E will offer to each holder of the Series B 4.80 percent Preferred Stock of Coast Counties, in exchange for each share of such stock, at the holder's choice, either seven-tenths (0.7) of a share of PG&E common stock or one share of PG&E 4.80 percent Redeemable First Preferred Stock.

The applicant states that all of the foregoing transactions are subject to the approval of the California Public Utilities Commission to which application has been made.

As soon as possible after the consummation of the transactions described above, PG&E will proceed to merge PPS and Coast Counties with itself as the surviving corporation in accordance with the California Corporations Code.

In support of PG&E's application for exemption of itself as a holding company and its present and proposed subsidiaries as such, under section 3 (a) (2) of the act, PG&E represents that it is at present predominantly a public-utility company and that following the acquisition of the PPS and Coast Counties capital stock, PG&E will continue to be predominantly a public-utility company whose operations as such do not extend beyond the State in which it is organized.

In consideration of the granting of its application for exemptions, PG&E has stipulated that, following the acquisition of the 623,651 shares of the PPS common stock from Blyth and such shares of PPS common stock and PPS and Coast Counties preferred stocks as are publicly held and are tendered in response to the exchange offers to be made to the holders thereof, PG&E (1) will proceed with due diligence to effect the proposed merger in accordance with the Corporations Code of the State of California; and (2) will not, during the existence of any exemption granted herein, sell or otherwise dispose of any shares of the capital stocks of PPS or Coast Counties acquired by it except for the purpose of retirement or redemption of such shares by the issuer thereof or for the purpose of pledging such shares with the trustees under the First and Refunding Mortgage as required by the provisions thereof.

Notice is further given that any interested person may, not later than February 23, 1954, at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held on this matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said application which he proposes to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request shall be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after February 23, 1954, at 5:30 p. m., e. s. t., said application, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 (a) and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 54-1075; Filed, Feb. 15, 1954; 8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 28907]

SUPERPHOSPHATE FROM SOUTHERN TERRITORY TO MASON CITY, IOWA, AND ALBERT LEA, MINN.

APPLICATION FOR RELIEF

FEBRUARY 10, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Superphosphate (acid phosphate), other than ammoniated or defluorinated, in bulk, or in bulk in bags, barrels or boxes, minimum 100,000 pounds.

From: Points in southern territory.

To: Albert Lea, Minn., and Mason City, Iowa.

Grounds for relief: Rail competition, circuity and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1286, supp. 25.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1035; Filed, Feb. 12, 1954; 8:46 a. m.]

[4th Sec. Application 28908]

RETURNED PETROLEUM PRODUCTS FROM, TO, AND BETWEEN POINTS IN THE SOUTHWEST

APPLICATION FOR RELIEF

FEBRUARY 10, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for carriers parties to schedules listed below.

Commodities involved: Petroleum products, in tank-car loads, which after reaching destination is returned to the original shipping point (for reasons other than carrier's error).

Territory: From, to, and between points in southwestern territory.

Grounds for relief: Competition with rail carriers, circuitous routes and to maintain grouping.

Schedules filed containing proposed rates: F. C. Kratzmeir, Agent, I. C. C. No. 4086, supp. 3; F. C. Kratzmeir, Agent, I. C. C. No. 3821, supp. 133; F. C. Kratzmeir, Agent, I. C. C. No. 3825, supp. 198; F. C. Kratzmeir, Agent, I. C. C. No. 4056, supp. 16; F. C. Kratzmeir, Agent, I. C. C. No. 3642, supp. 80; F. C. Kratzmeir, Agent, I. C. C. No. 3802, supp. 154; F. C. Kratzmeir, Agent, I. C. C. No. 3793, supp. 62; F. C. Kratzmeir, Agent, I. C. C. No. 3723, supp. 169; F. C. Kratzmeir, Agent, I. C. C. No. 4066, supp. 18.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1036; Filed, Feb. 12, 1954; 8:46]

[4th Sec. Application 28910]

WOODPULP FROM KRANNERT, GA., TO NEW YORK

APPLICATION FOR RELIEF

FEBRUARY 10, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Woodpulp, carloads.

From: Krannert, Ga.

To: Points in the State of New York.

Grounds for relief: Rail competition, circuity, market competition, to apply rates constructed on the basis of the short line distance formula, and additional origin.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1260, supp. 55.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1038; Filed, Feb. 12, 1954; 8:46 a. m.]

[4th Sec. Application 28912]

IRON OR STEEL CASTINGS FROM ROCKFORD, ILL., TO ANNISTON, ALA.

APPLICATION FOR RELIEF

FEBRUARY 10, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: H. R. Hinsch, Alternate Agent, for carriers parties to his tariff I. C. C. No. 4527, pursuant to fourth-section order No. 17220.

Commodities involved: Iron or steel castings, in the rough, carloads.

From: Rockford, Ill.

To: Anniston, Ala.

Grounds for relief: Competition with rail carriers and circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1040; Filed, Feb. 12, 1954; 8:47 a. m.]

[4th Sec. Application 28913]

LIQUID CHLORINE GAS FROM POINTS IN OHIO, MICHIGAN, NEW YORK AND VIRGINIA TO CINCINNATI, OHIO

APPLICATION FOR RELIEF

FEBRUARY 11, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: H. R. Hinsch, Alternate Agent, for carriers parties to his tariff I. C. C. No. 3926 and Agent C. W. Boin's tariff I. C. C. No. A-848.

Commodities involved: Liquid chlorine gas, in tank-car loads.

From: Specified points in Ohio, Michigan, New York, and Virginia.

To: Cincinnati, Ohio.

Grounds for relief: Competition with rail carriers, circuitous routes and market competition.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1064; Filed, Feb. 15, 1954; 8:46 a. m.]

[4th Sec. Application 28914]

PROPORTIONAL RATES ON GRAIN FROM KANSAS CITY TO GULF PORTS

APPLICATION FOR RELIEF

FEBRUARY 11, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The Chicago, Rock Island and Pacific Railroad Company, for itself and other carriers parties to schedule listed below.

Commodities involved: Grain, grain products and related articles, carloads.

From: Kansas City, Mo.-Kans.

To: Texas and Louisiana gulf ports, for export.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: Chicago, Rock Island and Pacific Railroad Company, I. C. C. No. C-13346, supp. 42.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Com-

mission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1065; Filed, Feb. 15, 1954; 8:46 a. m.]

[4th Sec. Application 28915]

SAND, GRAVEL, STONE AND RELATED ARTICLES BETWEEN POINTS IN SOUTHERN TERRITORY

APPLICATION FOR RELIEF

FEBRUARY 11, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Sand, gravel, stone and related articles, carloads.

Between: Points in southern territory, including adjacent points.

Grounds for relief: Competition with rail carriers, circuity, to maintain grouping, and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1315, supp. 43.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1066; Filed, Feb. 15, 1954; 8:46 a. m.]

[4th Sec. Application 28916]

NEWSPRINT PAPER FROM CALHOUN, TENN., TO KANSAS CITY, MO.-KANS.

APPLICATION FOR RELIEF

FEBRUARY 11, 1954.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Newsprint paper, carloads.

From: Calhoun, Tenn.

To: Kansas City, Mo.-Kans.

Grounds for relief: Competition with rail carriers, circuitous routes, and market competition.

Schedules filed containing proposed rates; C. A. Spaninger; Agent, I. C. C. No. 1349, supp. 39.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD, *Secretary.*

[F. R. Doc. 54-1067; Filed, Feb. 15, 1954; 8:46 a. m.]